

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

In Re: Larry E. Charles, and : Bankruptcy Case No.: 19-10095-TPA  
Shirley M. Charles, :  
 : Chapter 12  
Debtors. :  
 : Document No.:

### **AMENDED PROJECTED INCOME AND EXPENSE SUMMARY**

Post Petition Periods	August 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020
Total Projected Cash Flow from Operations:	(Milk) \$6,004.18 (SSI/Inc) \$1726 TOT: <b>\$7,730</b>	(Milk) \$6,902.09 (SSI/Inc) \$1964 TOT: <b>\$8,866.09</b>	(Milk) \$6,181.25 (SSI/Inc) \$1964 TOT: <b>\$8,145.25</b>	(Milk) \$5,986.47 (SSI/Inc) \$1964 TOT: <b>\$7,950.47</b>	(Milk) \$6,104.37 (SSI/Inc) \$1964 TOT: <b>\$8,068.37</b>	(Milk) \$7,366.89 (SSI/Inc) \$1987 TOT: <b>\$9,353.89</b>
Less Total Projected Expenses	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>	House \$1,099.82 Farm \$4,900.02 TOT: <b>\$5,999.84</b>
Anticipated Cash Flow Available for Plan	\$1,730.16	\$2,866.25	\$2,145.41	\$1,950.63	\$2,068.53	\$3,354.05

[illegible]

Anticipated Cash Flow Available for Plan	\$2,958.04	\$2,856.29	\$3,434.44	\$1,656.24	\$2,051.83	\$1,847.94
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Definitions:

#### EXPENSES:

Expense figures above are based on average actual expenses available on monthly operating reports for the first six months of the present case. In the present case, historical expenses are of little to no help in projecting future expenses because the debtors' expenses in 2018 were very low because the debtors were not able to pay many of their bills and were barely operating. The increased milk production resulting from the improved feeding regimen has increased expenses as well as the debtors have worked hard to maintain the new production levels. In some cases, long put off maintenance and capital expenditures have been dealt with, resulting in higher than expected expenses. Given this limited data and the lack of any clear pattern with expenses, an average based on the six months of monthly operating reports is being used in these projections.

Feb Expenses: \$7689.36 (Farm) \$1018.40 (Home)	\$9,227.92
Mar Expenses: \$5,152.64 (Farm) \$1,853 (Home)	\$7,005.87
Apr Expenses: \$1,990.69 (Farm) \$2,033.01 (Home)	\$4,023.70
May Expense: \$8,494.50 (Farm) \$966.07 (Home)	\$9,401.57
Jun Expense: \$1,978.07 (Farm) \$343.78 (Home)	\$1,978.07
Jul Expense: \$3,648.96 (Farm) \$384.66 (Home)	\$4,361.88

TOTAL EXPENSES: \$35,999.01  
MONTHLY AVG: \$ 5,999.84

Breakdown of Average Farm Expenses based on monthly averages:

Fuel/Vehicles: \$599	10%
Feed/Hay: \$2,879	48%
Labor: \$1,199	20%
Utilities: \$779	13%
Insurance \$582	9%

#### INCOME

Debtors income projection is based on the average milk weight produced for the first six months of this case and the most recent USDA projections for 2020 at \$18.90 per cwt. See,

<https://www.ers.usda.gov/topics/animal-products/dairy/market-outlook/>. Debtors have consistent social security income of \$923 and \$435 respectively. The projected COLA increase for social security is currently 1.7%. As a result, Debtors' projected 2020 social security income is \$1,381 per month. Debtor Larry Charles derives non-farm income from his employment as a school bus driver. Historically he has made an average of \$606 per month for the 9 months he is employed based on his 2018 W-2. Debtor has received unemployment in July and August of approximately \$184 bi-weekly which averages out to \$368 per month. Debtors have taken steps to improve their feed for the cattle and have realized an average 48% increase in milk production in 2019 compared to the production in 2018 as is detailed below. To the extent that data is not available for monthly comparison from 2018 to 2019, the average percentage increase is being applied to the available information for 2018 to project the 2019-2020 milk weight production. Due to the drastic improvement in production from 2018 to 2019, the projections assume only a modest increase in overall milk weight production going forward. Counsel is projecting a 2% increase based on continued improvement in the debtors' feeding regimen.

#### **Historical and Projected Milk Weight Production (in CWT)**

Feb 2018	22,482
Feb 2019	36,160
Increase	38%

PROJ 2020 (+2%)	36,883
Est price	\$18.90/cwt

**PROJ FEB \$6,970.88**

Mar 2018	14,720
Mar 2019	35,632
Increase	59%

PROJ 2020 (+2%)	36,344
Est price	\$18.90/cwt

**PROJ MAR \$6,869.13**

Apr 2018	16,523
Apr 2019	38,631
Increase	57%

PROJ 2020 (+2%)	39,403
Est price	\$18.90/cwt

**PROJ APR \$7,447.28**

May 2018	13,594
May 2019	29,407
Increase	54%

PROJ 2020 (+2%)	29,995
Est price	\$18.90/cwt

**PROJ MAY \$5,669.08**

Jun 2018	16,563
Jun 2019	31,459
Increase	47%

PROJ 2020 (+2%)	32,088
Est price	\$18.90/cwt

**PROJ JUN \$6,064.67**

Jul 2018	20,627
Jul 2019	31,636
Increase	35%

PROJ 2020 (+2%)	32,268
Est price	\$18.90/cwt

**PROJ JUL \$6,098.78**

Aug 2018	21,465
Proj Aug 2019	31,768
Increase	48% (Projected)

Est price	\$18.90/cwt
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**PROJ AUG \$6,004.18**

Sept 2018	24,675
Proj Sept 2019	36,519
Increase	48%(Projected)

Est price	\$18.90/cwt
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**PROJ SEPT \$6,902.09**

Oct 2018	22,098
Proj Oct 2019	32,705

Increase 48% (Projected)

Est price \$18.90/cwt

**PROJ OCT \$6,181.25**

Nov 2018 27,543

Proj Nov 2019 31,674

Increase 15% (Projected)\*

Est price \$18.90/cwt

**PROJ NOV \$5,986.47**

\*Nov 2018 reflects the early results of the new feeding regimen. A 48% increase over those numbers would be an extreme outlier, so counsel projected a more modest 15% increase that appears to align with the historical trends.

Dec 2018 31,665

Proj Dec 2019 32,298

Increase 2% (Projected)

Est price \$18.90/cwt

**PROJ DEC \$6,104.37**

Jan 2018 38,214

Proj Jan 2020 38,978

Increase 2% (Projected)

Est price \$18.90/cwt

**PROJ JAN \$7,366.89**